(b) Does not arise.

(c) Government/ Reserve Bank of India/ IBA constitutes expert groups on different aspects of banking from time to time as and when the need for forming such groups arises.

Branches of RRBs in the Country

2240. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the number of branches of the Regional Rural Banks functioning at present in the country particulary in the State of Uttar Pradesh along with their locations;

(b) the details of the loan facilities granted by each bank to all the farmers, artisans, small scales industries and other needy businessmen of the country during the last three years, State-wise, Bank-wise, and Category-wise; and

(c) whether Government propose to set up more new branches of banks in rural areas of the country, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The information is being collected and will be laid on theTable of the House to the extent available.

Wanchoo Committee Report on Black Money

2241. SHRI ISAM SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as per report of Wanchoo Committee, the generation of black money in India works out 55 per cent of Gross Domestic Product;

(b) if so, what is Government's proposal to deal with this problem; and

(c) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Direct Taxes Enquiry Committee

(Wanchoo Committee) in its Final Report of December, 1971 estimated black income at Rs. 1800 crore for the year 1968-69 which works out to 16.3% of the Gross Domestic Product (GDP).

(b) and (c) The Government takes several deterrant and punitive measures to prevent the generation and flow of black money. These include undertaking search and seizure and surveys, scrutiny of returns, imposition of penalty and launching of prosecution in appropriate cases. In order to unearth balck money in the ecomony, the Government has in the past introduced various voluntary disclousre schemes.

Further in order to deal with the problem of black money, Finance Bill, 2005 has proposed the following measures:—

(i) Levy of tax @ 0.1% on withdrawal of cash on a single day of over Rs. 10,000 or more from banks;

(ii) Banks would be required to report to the Government all deposits which are exempt from Tax Deduction at Source on interest.

Raising of funds by State Governments from open market

2242. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some of the State Governments have sought permission to raise funds from open market borrowings and bonds/ debentures etc.;

(b) if so, the details thereof; and

(c) what action Government proposed to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) A statement regarding permission sought and granted is enclosed.